

CLIENT ALERT




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Governor of Puerto Rico Extends the Executive Order Declaring an Energy Emergency

Puerto Rico Energy Affairs Administration Releases Draft of Green Energy Fund Regulation

 On April 12, 2011, Governor Luis G. Fortuño signed an Executive Order extending the Energy Emergency in Puerto Rico. The Order essentially reiterates the urgency to renew the electric power infrastructure to reduce dependency on oil and fossil fuels.

The Executive Order acknowledges the need to continue implementation of different alternatives, to encourage the use of alternative and renewable energy sources, and to seek alternative to oil for generation of power. To that effect, it requires all concerned agencies to follow an expedited process to issue corresponding permits, consultations, endorsements, comments, recommendations and certifications for Energy Projects in Puerto Rico. Covered Energy Projects include, but are not limited to, those using solar energy, wind energy, biomass, ocean and hydro-power, fuel substitutions, combustion of gas derived from sanitary landfills, and waste to energy projects. It further reestablishes the Interagency Subcommittee for Expedited Evaluation on Environmental Compliance.

We at Goldman remain committed in assisting you and your business to adjust to changes in the law. For further information you may contact *Alicia Lamboy* at 787.759.4144 (alamboy@gaclaw.com); or *Gretchen Mendez* at 787.759.4207 (gmendez@gaclaw.com).

 On April 14, 2011, the Puerto Rico Energy Affairs Administration released for public comment a draft of the Green Energy Fund Regulation. The proposed regulation sets requirements for incentives applicable to small and medium scale green energy projects (Tier 1 and Tier 2). Besides an application fee, each applicant would be required to deposit a reservation guarantee that will be refunded with the incentive payment once the project is completed. The proposed incentives principally apply to new projects (those that have not begun construction when the application is submitted). However, the proposed regulation includes an exemption applicable to petitioners who did not receive responses to, or were denied, tax credit applications under Law No. 248 of August 10, 2008, during the period from July 1 to September 30, 2010, for projects substantially completed as of September 30, 2010.

Comments will be received until May 15, 2011.



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